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October 7, 2013

Keith Wallace, Project Manager
California Department of Water Resources
Division of Integrated Regional Water Management
Financial Assistance Branch
PO Box 942836
Sacramento, CA 94236

Ref: 14-3868

VIA EMAIL: keith.wallace@water.ca.gov

Re: Draft Funding Recommendations for the Proposition 84 Round 2 Implementation Grant Program

Dear Mr. Wallace,

The Leucadia Wastewater District (LWD) is a public agency that provides wastewater and recycled water services to approximately 60,000 residents in Encinitas and Carlsbad, California. We are writing to express our concerns regarding the Department of Water Resources (DWR) Proposition 84 Round 2 draft award amount for the San Diego funding area. As it stands now, the award allocation would be cut almost 50%, from \$13 million to \$7.5 million.

LWD along with several other representatives from a broad range of water and wastewater management agencies and NGO/DAC organizations, actively participate in the San Diego Integrated Water Resources Management Program. This diverse group assisted in the completion of San Diego's Integrated Regional Water Management Plan and collaboratively worked together to prioritize water resource projects that are important to the region and State.

A great deal of time and financial resources has been expended in the evaluation of projects and the development of the associated funding application. Great care is taken to understand DWR objectives and to comply with the requirements of DWR solicitations. Based upon this fact, it is extremely disconcerting that the proposed Draft award for the San Diego funding area is half of the stated allocation for Round 2, when other funding areas were allocated 200% of their stated amounts, contrary to DWR's PSP and goals of Proposition 84.

LWD requests that the DWR revisit and rescore the San Diego Funding Area Application, and revise the Award amount to 100% of the requested funding based on the following facts:

1. San Diego's Proposition 84-Round 2 Grant Proposal was responsive to DWR's solicitation and contained detailed and thoughtful analysis of the benefits that would accrue from the funding. This application whittled the projects from an original 36 to what was presented, through a detailed selection processes and regionally-coordinated

meetings. The grant proposal was unanimously supported by San Diego's 34-member Regional Advisory Committee (RAC).

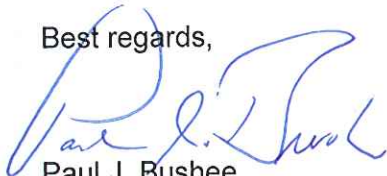
2. DWR Reviewers clearly misunderstood aspects of certain projects (specifically the North San Diego County Regional Recycled Water Project) which dramatically impacted the scoring for the overall application. Critical incorrect assumptions were made by the DWR reviewers that could have easily been avoided by a more thorough review of the application. San Diego's grant proposal was 316 pages long, chock full of details and supporting documentation validating the significant benefits these projects have for the region and State. A reduction in San Diego's grant funding will mean that high priority projects will either be shelved or terminated all together.

In addition, the DWR should reconsider the approach used by DWR Staff to review and understand grant applications before publishing draft findings and award amounts. Understanding the sizable amount of information DWR staff must review in this process illustrate the importance that appropriate time and resources be applied during this process. This also allows adequate time be made available so Proposers may respond to any DWR Staff questions or clarifications, since it was apparent many of the questions/comments raised by the DWR reviewers are actually answered in the original application. If needed, DWR Reviewers should reach out to the applicants for assistance to improve their understanding of the proposed projects. In this case, a lack of understanding of these important water resource projects has resulted in an inappropriate score and a proposed 50% cut in allocation to the San Diego funding area.

Please revisit and rescore the San Diego Funding Area application and provide the 100% funding it deserves.

Thank you for this opportunity to provide comments, if you have any questions, please do not hesitate to contact me at (760) 753-0155 or by email at pbushee@lwwd.org.

Best regards,



Paul J. Bushee
General Manager

CC: Assemblywoman Marie Waldron, via fax, 916-319-2175
Assemblyman Rocky Chavez, via fax, 916-319-2176
Assemblyman Brian Maienschein, via fax, 916-319-2177
Assemblywoman Toni Atkins, via fax, 916-319-2178
Assemblywoman Shirley Weber, via fax, 916-319-2179
Assemblyman Brian Jones, via fax, 916-319-2171
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